

SECTION 3

ANESTHESIOLOGY

Table of Contents

1	GENERAL POLICY	2
1 - 1	Clients Enrolled in a Managed Care Plan	2
1 - 2	Client NOT Enrolled in a Managed Care Plan (Fee-for-Service Clients)	2
2	BILLING	3
2 - 1	Specific Instruction for Anesthesia Billing	3
3	REIMBURSEMENT FOR ANESTHESIA	4
3 - 1	Rural Services	4
3 - 2	Basic Value	4
3 - 3	Time Reporting	4
3 - 4	Utah Medicaid's Time Reporting Policy	5
3 - 5	Obstetrical Anesthesia - Time Reporting	5
4	MULTIPLE PROCEDURES	6
4 - 1	Additional Procedures and Obstetrical Anesthesia	6
5	ANESTHESIA MODIFIERS	7
5 - 1	Physical Status Modifiers	7
5 - 2	Anesthesia Where Modifying Units Are Not Applicable	8
5 - 3	Other Modifiers	8
6	SPECIAL REPORT	9
7	QUALIFYING CIRCUMSTANCES	9
8	PRIOR AUTHORIZATION	10
9	LIMITATIONS	11
9 - 1	Postoperative Pain Management and Palliative Therapy	11
	INDEX	13

1 GENERAL POLICY

All anesthesiologists or certified registered nurse anesthetists (CRNA) licensed to practice in the State of Utah are eligible to participate, providing they are duly licensed and a participant in Medicare and/or Medicaid. All physicians must be enrolled with the state agency as a Medicaid Provider.

Medicaid covers anesthesia only when administered by a licensed anesthesiologist or a certified registered nurse anesthetist (CRNA) who remains in attendance for the sole purpose of rendering general anesthesia in order to afford the patient anesthesia care deemed optimal during any procedure.

The American Society of Anesthesiologists relative value guide is accepted as the basis for coding and definition of anesthesia provided to Medicaid patients.

1 - 1 Clients Enrolled in a Managed Care Plan

A Medicaid client enrolled in a managed health care plan, such as a health maintenance organization (HMO), must receive all health care services through that plan. Refer to SECTION 1, General Information, Chapter 5, Verifying Eligibility, for information about how to verify a client's enrollment in a plan. For more information about managed health care plans, please refer to SECTION 1, Chapter 4, Managed Care Plans. Each plan may offer more benefits and/or fewer restrictions than the Medicaid scope of benefits explained in the section of the provider manual. Each plan specifies services which are covered, those which require prior authorization, the process to request authorization and the conditions for authorization.

All questions concerning services covered by or payment from a managed care plan must be directed to the appropriate plan. Medicaid does NOT process prior authorization requests for services to be provided to a Medicaid client who is enrolled in a capitated managed care plan when the services are included in the contract with the plan. Providers requesting prior authorization for services for a client enrolled in a managed care plan will be referred to that plan.

A list of HMO's with which Medicaid has a contract to provide health care services is included as an attachment to the provider manual. Please note that Medicaid staff make every effort to provide complete and accurate information on all inquiries as to a client's enrollment in a managed care plan. Because eligibility information as to what plan the patient must use is available to providers, a "fee-for-service" claim will not be paid even when information is given in error by Medicaid staff.

1 - 2 Client NOT Enrolled in a Managed Care Plan (Fee-for-Service Clients)

Medicaid clients who are *not* enrolled in a managed care plan may receive services from any provider who accepts Medicaid. This provider manual explains the conditions of coverage for Medicaid fee-for-service clients.

2 BILLING

Anesthesia services may be billed either through the electronic data exchange or on a HCFA-1500 claim form. Refer to billing instructions in SECTION 1, Chapter 11 - 9, Billing Medicaid. (World Wide Web address is www.health.state.ut.us/medicaid/SECTION1.pdf)

2 - 1 Specific Instruction for Anesthesia Billing

When billing ASA procedure codes, enter actual minutes for procedures where time is necessary. For example, enter 105 minutes, rather than 1 hour 45 minutes.

- When billing using a paper HCFA-1500 form, enter total time in minutes, in Box 24D on the line directly below the ASA procedure code.
- When billing electronically, enter total time in minutes in the “minutes” field.

If minutes are missing from claim, Medicaid will pay one time unit, i.e., 12 minutes or less.

Diagnosis: A specific diagnosis code must be used.

3 REIMBURSEMENT FOR ANESTHESIA

Anesthesia is a global service just as the surgical procedure for which it is given. No pre or postoperative services will be recognized for separate payment, including those for pain management. Exception: Post C-section pain management is covered because a catheter is in place, no extra time or equipment is involved, nurses provide administration and management.

Anesthesia payments will be the lower of billed charges or a calculated fee. The Medicaid Management Information System (MMIS) calculates anesthesia reimbursement by adding Basic Value, plus Modifying Units (if any), plus Time Units and multiplying the total number of “anesthesia values” by a dollar conversion factor.

3 - 1 Rural Services

Services performed in rural areas will be reimbursed at 12% higher than the regular fee for anesthesia . The higher fee is available only when the anesthesia are performed in a rural setting. Payment is not based on patient residence.

3 - 2 Basic Value

A **Basic Value** is assigned for anesthetic management of most surgical procedures and is related to the complexity of the procedure. This includes the value of all usual anesthesia except the time actually spent in anesthesia care and any modifiers. The usual anesthesia included in the Basic Value are the usual pre-operative and postoperative visits, the administration of fluids and/or blood products incident to the anesthesia care and interpretation of non-invasive monitoring.

3 - 3 Time Reporting

Time Units will be added to the basic value and modifying units as is customary in the local area. Anesthesia time begins when the anesthesiologist begins to prepare the patient for the induction of anesthesia in the operating room or in an equivalent area and ends when the anesthesiologist is no longer in personal attendance, that is, when the patient may be safely placed under postoperative supervision.

In computing payment for anesthesia, basic value units for anesthesia procedure codes are “hard coded” in Medicaid’s computer system and are obtained automatically and do not require any additional billing requirements, other than their “identification” on the claim.

3 - 4 Utah Medicaid's Time Reporting Policy

Time Reporting for Utah Medicaid is computed at the rate of one time unit for each twelve-minute or fraction thereof. Fractions of time are always rounded up to the next full number.

Example: 60 minutes = 5 time units Time will be calculated as 5 time units
 65 minutes = 5.42 time units Time will be calculated as 6 time units

3 - 5 Obstetrical Anesthesia - Time Reporting

Because obstetrical anesthesia is unique and an anesthesiologist may attend more than one patient concurrently under continuous regional anesthesia, there is a reduction in the unit value after the first hour of anesthesia time. For the first hour, 5 time units will be calculated; for the second hour, 2.5 units; for the third and each succeeding hour of anesthesia, 1.25 units. The reduction in unit value affect the following two ASA procedure codes:

- 00857 - Continuous epidural analgesia for labor and cesarean section
- 00955 - Continuous epidural analgesia for labor and vaginal delivery

When billing obstetrical anesthesia, indicate total time, in minutes. Medicaid's Management Information System (MMIS) will calculate the appropriate reduction in unit value.

4 MULTIPLE PROCEDURES

When multiple procedures are performed during a single anesthetic administration, Medicaid's policy is to pay the basic value for only one anesthesia procedure. It is suggested that providers select the ASA procedure code with the highest basic value. This is true for obstetrical anesthesia as for all other anesthesia administration. Obstetrical anesthesia which begins as routine for vaginal delivery and goes to a C-section will only be reimbursed for one anesthesia administration, usually at the C-section level. Billing of two anesthesia administrations for same patient, same date of service, same provider will be denied.

4 - 1 Additional Procedures and Obstetrical Anesthesia

Procedures completed in addition to delivery may be paid the basic values for both procedures in the following circumstances:

- Epidural for labor and delivery followed by tubal ligation on the same date of service or a day following.
- Caesarean delivery followed by pain management/morphine injection during post-partum recovery.

Note: Medicaid covers pain management as a separate, reimbursable service **only** when the patient has epidural anesthesia for a caesarean delivery and the epidural catheter is already in place and does not require a separate and new placement. Pain management and pain clinics are non-covered Medicaid service for all other situations.

5 ANESTHESIA MODIFIERS

Report all anesthesia with the anesthesia five-digit procedure code (00100 through 01999) plus the addition of a physical status modifier. The use of other optional modifiers may be appropriate.

5 - 1 Physical Status Modifiers

Physical Status modifiers are represented by the initial letter "P" followed by a single digit from "1 to 6".
 Example: 00100-P1

These modifiers indicate various levels of complexity of the anesthesia service provided. The Utah Medicaid values for physical status are as follows.

Modifier	Description	Medicaid Unit Value
P1	A normal healthy patient	0
P2	A patient with mild systemic disease	1
P3	A patient with severe systemic disease	3
P4	A patient with severe systemic disease that is a constant threat to life	4
P5	A moribund patient who is not expected to survive without the operation	6
P6	A declared brain-dead patient whose organs are being removed for donor purposes	Not Payable

When billing for anesthesia, indicate the appropriate physical status modifier. If no physical status is indicated, the Medicaid Management Information System (MMIS) assumes the physical status is P1 - a normal healthy patient. If a Physical Status Modifier is billed, MMIS automatically calculates additional payment. Utah Medicaid has not required the use of the "unique" *Utah Medicaid Modifier 30* since February 1, 1995. However, if this modifier is billed, MMIS will accept 30 as a valid modifier.

5 - 2 Anesthesia Where Modifying Units Are Not Applicable

- General consultation, limited
 - General consultation, comprehensive
 - Convulsive therapy with anesthesia
 - Cardiopulmonary resuscitation
 - Respirator care, consultation and therapy
 - Intensive care of acutely ill patient (while anesthesiologist is in personal attendance)
 - Daily visits (follow-up acutely ill, maximum two days)
 - Psychotherapy, verbal, drug augmented or other methods
 - Electrical cardioversion
 - Nerve blocks as listed
- (Reference Utah RVS Manual)

5 - 3 Other Modifiers

Under certain circumstances, medical service and procedures may need to be further modified. Other modifiers commonly used are:

- 22 Unusual Procedural Services
- 23 Unusual Anesthesia
- 32 Mandated Services
- 51 Multiple Procedures
- 53 Discontinued Procedure
- 59 Distinct Procedural Service

6 SPECIAL REPORT

A service that is rarely provided, unusual, variable, or new may require a special report in determining medical appropriateness of the service. Pertinent information should include an adequate definition or description of the nature, extent, and need for the procedure; and the time, effort, and equipment necessary to provide the service. Additional items which may be included are:

- complexity of symptoms
- final diagnosis
- pertinent physical findings
- diagnostic and therapeutic procedures
- concurrent problems
- follow-up care

7 QUALIFYING CIRCUMSTANCES

Many anesthesia services are provided under particularly difficult circumstances, depending on factors such as extraordinary condition of patient, notable operative conditions, and/or unusual risk factors. These procedures are not reported alone, but are reported as additional procedure codes, qualifying an anesthesia procedure or service. More than one code may be selected.

99100 Anesthesia for patient of extreme age, under one year or over seventy

99116 Anesthesia complicated by utilization of total body hypothermia

99135 Anesthesia complicated by utilization of controlled hypotension

99140 Anesthesia complicated by emergency conditions

Note: Use of code 99140 will not be covered as a routine add on for obstetrical anesthesia. Most deliveries are unscheduled, but not high risk or emergent.

An emergency is defined as existing when delay in treatment of the patient would lead to a significant increase in the threat to life or body part.

8 PRIOR AUTHORIZATION

Anesthesiologists are not required to request prior authorization (PA) from Medicaid. However, for any anesthesia code on the list titled ASA Codes Associated With CPT Codes Which Require Prior Authorization, included in this section, the anesthesiologist is required to obtain the PA number for the CPT code from the surgeon and enter the PA number on the claim when billing for anesthesia .

1. The surgeon must obtain prior authorization (PA) when required for procedures identified in the Medical and Surgical Procedures List included with this manual. For information about the prior authorization process, refer to SECTION 1, General Information, Chapter 9, Prior Authorization Process. Procedures which require PA include, but are not limited to, hysterectomy, sterilization and abortion. Medicaid staff review each request to ensure that all federal and state requirements are met. If so, staff assign a PA number for the CPT procedure and enter the PA number and appropriate anesthesia code into Medicaid's computer system.
2. When an anesthesiologist bills for an ASA code associated with a CPT procedure code which requires prior authorization, the claim may be paid only if the surgeon obtained prior authorization for the procedure. If the surgeon did not obtain a prior, Medicaid cannot reimburse either the surgeon or the anesthesiologist
3. Exceptions to the prior authorization requirement can only be considered under one of the following circumstances:
 - a. The procedure was performed in a life-threatening or justifiable emergency situation.
 - b. Medicaid is responsible for the delay in approval.
 - c. The patient is retroactively eligible for Medicaid. Refer to SECTION 1, General Information, Chapter 9 - 7, Retroactive Authorization.

Approval for services related to these exceptions may be granted "after-the-fact" with appropriate documentation and review. If approved, the associated ASA code may also be reimbursed.

For more information about prior authorization, call Medicaid Information.

In the Salt Lake City area, call **538-6155**. Call toll free in Utah and the surrounding states of Arizona, New Mexico, Nevada, Idaho, Wyoming and Colorado: **1-800-662-9651**.

Follow the telephone menu prompts for a Medicaid Provider, then for Prior Authorization, then for sterilizations.

9 LIMITATIONS

9 - 1 Postoperative Pain Management and Palliative Therapy

Effective for services provided on or after July 1, 2001, postoperative pain management and selective palliative therapy provided by anesthesiologists are covered Medicaid services. Pain management must be related to the immediate post operative period or a catastrophic or terminal illness where palliative therapy is indicated. The Primary Care Physician or surgeon must request or order pain services to be provided by an anesthesiologist. Prior authorization is not required. A claim for epidural placement or patient controlled analgesia (PCA) will be reviewed before payment.

Specific conditions for coverage are described below.

A. Definitions

- Epidural Analgesia means placement of an epidural catheter, injection of anesthetic or therapeutic substances, and daily management of drug therapy.
- Pain Relief is reduction of the level of pain, not elimination of pain.
- Palliative Therapy means therapy that relieves symptoms of illness or a disorder but does not promote a cure. An example of palliative therapy is treatment for terminal illness or complex medical problems where severe pain is a significant factor.
- Patient Controlled Analgesia (PCA) means intravenous placement of a catheter for self-administration of therapeutic drugs through an infusion device. PCA includes daily management and follow-up services by the anesthesiologist, related to the drug therapy.

B. Initial placement of the epidural catheter for postoperative pain management may occur in the operating room during preparation for the surgical procedure, but is not covered as the primary anesthetic. Placement of the PCA infusion set up will occur in the recovery room following surgery.

1. Submit the claim for initiation of postoperative pain management services on a HCFA 1500 claim form separate from the general anesthesia claim. The same date of service as the anesthesia administration may be used. The claim should not deny as part of another service or be included in a global fee.
2. Submit a claim for postoperative, daily pain management as of the day following placement of the catheter or set up of the PCA. Submit a HCFA 1500 claim separate from the anesthesia for the surgical procedure, and separate from the charge for initial placement of epidural or set-up of PCA charge. Use CPT or ASA codes on the claim, depending on the route of administration. No other codes will be accepted.
3. There is one exception to the above methods for filing a claim for pain management. Sometimes the epidural catheter for postoperative pain management may be placed at the time of surgery by the surgeon because he is operating on the back. This will occur only in laminectomy or decompression (CPT codes 63001 - 63290) and spinal lesion or deformity (CPT codes 22100 - 22852). Since the anesthesiologist does not place the epidural catheter but does manage the catheter and medication administration the day of surgery, a daily visit code (01996) will be allowed in addition to the general anesthesia on the day of surgery.

- C. Use the approved postoperative pain management codes listed below. Submit a HCFA 1500 claim separate from the general anesthesia claim.

1. Epidural Analgesia

* 62318 Injection, including catheter placement, continuous infusion or intermittent bolus, of therapeutic substances, epidural or subarachnoid; cervical or thoracic.

* 62319 Injection, including catheter placement, continuous infusion or intermittent bolus, of therapeutic substances; lumbar, sacral (caudal).

* Select one of these codes for placement of the epidural catheter. Payment will be made only once during an episode of care. Payment should not be denied as part of another service or a global fee.

01996 Daily follow-up and management of epidural analgesia. Units will be attached to this code but no time. (A "0" is not an appropriate unit to use in this field.) Payment will be made only once daily.

2. Patient Controlled Analgesia (PCA)

* 99231-22 Subsequent Hospital Care

* 99232-22 Subsequent Hospital Care

* Select one of these codes for the initial set-up and placement of the PCA. Payment should not be denied as inappropriate or part of another service.

Since these codes are for subsequent hospital care, it would be unusual to have a 22 modifier on a claim of this type, but it is acceptable in the case of post operative pain management. When associated with pain management, the 22 modifier will be added to trigger the edit for adjudication review. A subsequent care code should appear only once during an episode of care.

01997 Daily follow-up and management of patient controlled analgesia. There will be units attached to this code, but no time. (A "0" is not an appropriate unit to use in this field.) Payment will be made only once daily.

3. Terminal Illness or Complex Medical Problem Management

Pain management for a terminal illness or complex medical problem become very individualized and dependent on the condition and needs of the patient. For the terminally ill, palliative care for comfort may be the major need. As always, such care can be provided through the primary care physician and family assistance, through appropriate home health service or as part of an inpatient admission for general treatment or terminal care of the medical condition. The primary care physician remains ultimately responsible, but when the patient's condition reaches the point that assistance is needed, the primary care physician can provide orders or referral to a pain management specialist who can use this protocol to place lines and provide daily management of the necessary medications.

INDEX

Additional Procedures and Obstetrical Anesthesia	6	Minutes	3, 5
American Society of Anesthesiologists relative value guide	2	Modifiers	4, 7, 8
Anesthesia Billing	3	Modifying Units	4, 8
Anesthesia complicated	9	Morphine injection	6
ANESTHESIA MODIFIERS	7	MULTIPLE PROCEDURES	6, 8
Anesthesia Where Modifying Units Are Not Applicable	8	Nerve blocks	8
ASA procedure code	3, 6	Obstetrical Anesthesia	5, 6
Basic Value	4, 6	Obstetrical Anesthesia - Time Reporting	5
Billed charges	4	Other Modifiers	8
BILLING	3-7, 10	Pain clinics	6
Caesarean delivery	6	Pain Management	4, 6, 11, 12
Calculated fee	4	Pain Management Services	11
Cardiopulmonary resuscitation	8	Pain Relief	11
Certified registered nurse anesthetists (CRNA)	2	Palliative Therapy	11
Convulsive therapy with anesthesia	8	Patient Controlled Analgesia (PCA)	11, 12
Daily visits	8	PCA infusion	11
Diagnosis	3, 9	Physical Status Modifiers	7
Documentation	10	Post C-section pain management	4
Electrical cardioversion	8	PRIOR AUTHORIZATION	2, 10, 11
Emergency is defined	9	Psychotherapy, verbal, drug augmented	8
Epidural Analgesia	5, 11, 12	QUALIFYING CIRCUMSTANCES	9
Exceptions to the prior authorization requirement	10	REIMBURSEMENT FOR ANESTHESIA	4
Fee-for-Service Clients	2	Relative value guide	2
Follow-up acutely ill	8	Respirator care, consultation and therapy	8
General consultation, comprehensive	8	Rural Services	4
General consultation, limited	8	SPECIAL REPORT	9
HCFA-1500	3	Specific Instruction for Anesthesia Billing	3
Intensive care of acutely ill patient	8	Terminal Illness	11, 12
LIMITATIONS	11	Time Reporting	4, 5
Managed Care Plan	2		